

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 OPIC-03 ERDA-05 AID-05
CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01
XMB-02 SAB-02 /107 W

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P R 182133Z AUG 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 3252

INFO PANCANAL

USSOUTHCOM

C O N F I D E N T I A L PANAMA 5941

DEPT PASS ELLA HAWKINS, INSURANCE DIV/OPIC

E.O. GDS

TAGS: ENRG

SUBJECT: PANAMANIAN TRANSSHIPMENT FACILITY FOR ALASKAN OIL

REF: A) PANAMA 5662; B) PANAMA 5466

SUMMARY: THE GOP/NORTHVILLE - \$42 MILLION VENTURE, PETRO
TERMINAL, S.A., APPROVED BY GOP LEGISLATIVE COMMISSION AUGUST
17, AND EXPECTED TO BE RATIFIED BY NATIONAL LEGISLATIVE COUNCIL.
AUGUST 18-19. ITS OFF-SHORE LIGHTERING PHASE ON SCHEDULE.
SOHIO'S FLOATING TANK FARM ALREADY ANCHORED IN PANAMANIAN
WATERS AND EXPECTED TO RECEIVE ITS FIRST LOAD LATTER PART
OF AUGUST. NEGOTIATIONS FOR FINANCING/CONSTRUCTION CONTRACT
FOR NORTHVILLE'S PROJECTED ON-SHORE OIL FACILITY AT PUERTO
ARMUELLES STILL CONTINUING BETWEEN FIRST NATIONAL OF BOSTON
AND AMERICAN FIRMS. THE JAPANESE ARE ALSO INTERESTED IN THE
SUBJECT VENTURE. END SUMMARY

1. FOLLOWING REPORT BASED ON RECENT MEETINGS COM COUNSELOR
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HAD WITH VISITING NORTHVILLE VP LEWIS ROCKWOOD, RESIDENT REP
FIRST NATIONAL BANK OF BOSTON (FNBB -REF A) AND OTHER TRADE
SOURCES:

2. GOP LEGISLATIVE COMMISSION APPROVED FORMATION PETRO
TERMINAL S.A., AUGUST 17 AND NATIONAL LEGISLATIVE
COUNCIL EXPECTED TO RATIFY IT AUGUST 18-19.

3. SOHIO'S VLCC (REF A) "BRITISH RESOLUTION" TEMPORARILY ANCHORED NEAR TABOGA ISLAND AND FIRST SUPERTANKER SCHEDULED TO ARRIVE IN PANAMANIAN WATERS AND UNLOAD INTO IT, AUGUST 24-25. PRESUMABLY, THIS WILL TAKE PLACE AT BAHIA DE PARITA (REF B).

4. NORTHVILLE'S REPS, MESSRS. MENDEL GRYNSTEIN AND TED SORENSEN (REF B) SCHEDULED TO ARRIVE LATE AUGUST 18.

5. FNBB PREPARED TO FINANCE THE PROJECTED ON-SHORE \$42-45 MILLION NORTHVILLE VENTURE AT PUERTO ARMUELLES WITH TELLEPSSEN/WALLCE (T/W) (REF B) BECAUSE OF ITS FAST EXPECTED PAYOFF, I.E. WITHIN FIVE YEARS. HOWEVER, BEFORE DOING SO, FNBB NOW TRYING TO GET FIRM CONTRACTUAL COMMITMENTS TO THAT EFFECT FROM INTERESTED U.S. OIL COMPANIES. SPECIFICALLY, FNBB WILL REQUIRE THAT THEIR PAYMENTS BE ASSIGNED TO FNBB AND NOT NORTHVILLE. THE GERMAN FIRM KLOCKNER (REF B) ONLY INTERESTED IN PROVIDING T/W STEEL PRODUCTS, THEREFORE PREFERS STAYING IN THE BACKGROUND.

6. T/W ALSO EXPLORING POSSIBILITY OF CONSTRUCTING PIPELINE FOR THE TRANSFER OF CRUDE OIL FROM THE PROJECTED PUERTO ARMUELLES STORAGE FACILITY TO THE ATLANTIC. FNBB BELIEVES THIS HIGHLY VIABLE LONG-TERM OPERATION, AS IT MAY ATTRACT MORE OIL COMPANIES, STILL, FNBB INTERESTED IN SECURING CONFIDENTIAL

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ITS FINANCIAL INVESTMENT ON SHORT TERM BASIS.

7. THE JAPANESE HAVE SHOWN GREAT INTEREST IN THE NORTHVILLE VENTURE SINCE LAST MARCH. NISSHO-IWAI, ESPECIALLY, HAS OFFERED A TURN-KEY CONSTRUCTION CONTRACT WITH FINANCING PROVIDED BY JAPAN'S EXIM BANK. FNBB, HOWEVER, BELIEVES THAT T/W--BEING WELL ESTABLISHED AMERICAN CONCERN--IN STRONGER POSITION TO DO BUSINESS WITH NORTHVILLE.
JORDEN

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Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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